February 6, 2025

Summary of Consolidated Financial Results (Japanese GAAP) for the Third Quarter of Fiscal Year Ending March 31, 2025

Listed company:	Cosmo Energy Holdings Co., Ltd.	Listed: Tokyo Stock Exchange	
Securities code:	5021	URL https://www.cosmo-energy.co.jp/	
Representative:	Shigeru Yamada, Representative Director & Group CEO		
Contact:	Masahiro Oikawa, General Manager of Corporate Communication Department		Phone: 03-3798-3101
Scheduled date of commencement of dividend payment:	—		
Creation of supplementary results materials:	Yes		
Results briefing:	Yes (for analysts and institutional investors)		

Note：Figures less than 1 million yen are rounded down.

1. Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 2025 (From April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (cumulative total)

(% indicates changes from the corresponding period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Third Quarter, FY2024	2,038,432	1.3	88,093	-13.3	97,482	-14.2	43,251	-24.3
Third Quarter, FY2023	2,013,199	-4.0	101,661	-33.5	113,593	-28.4	57,162	—

Note：Comprehensive income Third Quarter, FY2024：41,133 million yen (-40.5%) Third Quarter, FY2023：69,134 million yen (－%)

	Net income per share	Diluted net income per share
	yen sen	yen sen
Third Quarter, FY2024	500.56	—
Third Quarter, FY2023	653.73	—

Note：As stated in Notes relating to changes in accounting policies, Change in calculation method of tax expenses in the Accompanying Materials, the Company changed the calculation method of tax expenses from the first quarter under review. The change in accounting policy has been applied retrospectively, and the consolidated operating results for the third quarter of FY2023 are after retrospective application. Changes from the corresponding period of the previous fiscal year for profit attributable to owners of parent and comprehensive income for the third quarter of FY2023 are not shown due to retrospective application of the accounting policy change.

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio
	million yen	million yen	%
Third Quarter, FY2024	2,287,420	720,007	25.7
FY2023	2,212,586	727,415	27.2

[Reference] Net worth Third Quarter, FY2024：586,862 million yen FY2023：601,161 million yen

Note：As stated in Notes relating to changes in accounting policies, Application of Accounting Standard for Current Income Taxes, etc. in the Accompanying Materials, the Company applied the Accounting Standard for Current Income Taxes, etc. from the beginning of the first quarter under review, and the consolidated operating results for the third quarter of FY2024 reflect application of this accounting standard, etc. This change in accounting policy is applied retrospectively, and consolidated financial statements for the previous year are after retrospective application.

2. Dividend Payment Results and Forecast

	Annual dividend per share total				
	As of Q1-end	As of Q2-end	As of Q3-end	As of Fiscal Year-end	Full Year
	yen sen	yen sen	yen sen	yen sen	yen sen
FY2023	—	150.00	—	150.00	300.00
FY2024	—	150.00	—		
FY2024 (forecast)				180.00	330.00

Note：Revision made in the dividend payment forecast as of the end of the current quarter from the previous announcement：Yes
Concerning the revision made in the dividend payment forecast, please refer to “Notice Regarding Revision of Policy on Shareholder Returns and Revision of Dividend Forecast” announced on February 6, 2025.

3. Consolidated Business Forecast for Fiscal year ending March 31, 2025 (From April 1, 2024 to March 31, 2025)

(% indicates changes from the corresponding period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen sen
FY2024	3,200,000	17.2	154,000	3.2	165,000	2.1	79,000	-3.7	939.50

Note：Revision made in the consolidated business forecast as of the end of the current quarter from the previous announcement：None

Notes

(1) Significant changes in the scope of consolidation during the period: Yes

New: 1 company (Company name: Sasebo Shikamachi Wind Power, G.K)

Exclusion: 1 company (Company name: HD Hyundai Cosmo Petrochemical Co., Ltd.)

Note：Please refer to 2. Consolidated Financial Statements and Significant Notes (3) Notes to consolidated financial statements (Notes on changes in scope of consolidation or application of the equity method) on page 7 of the Accompanying Materials for details.

(2) Application of accounting methods which are exceptional for preparing the quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, restatements

1) Changes in accounting policies due to revisions to accounting standards, etc.: Yes

2) Changes in accounting policies other than those set out in 1): Yes

3) Changes in accounting estimates: None

4) Restatements: None

Note：Please refer to 2. Consolidated Financial Statements and Significant Notes (3) Notes to consolidated financial statements (Notes relating to changes in accounting policies) on page 7 of the Accompanying Materials for details.

(4) Number of shares issued (ordinary shares)

1) Number of shares issued at the end of the period (including treasury shares)

Third Quarter , FY2024 88,353,761 shares FY2023 88,353,761 shares

2) Number of treasury shares at the end of the period

Third Quarter , FY2024 3,572,771 shares FY2023 766,247 shares

3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Third Quarter , FY2024 86,407,720 shares Third Quarter , FY2023 87,439,948 shares

Note：Review by a certified public accountant or audit firm of the attached quarterly consolidated financial statements: Yes（arbitrary）

Note：Explanation regarding the proper use of business forecasts and other special notes

The consolidated business forecast for the full year of FY2024 is not updated from the previous announcement made on May 9, 2024.

The business forecast above has been created based on the information available as of the date of the publication of this summary. Actual results may be different from the forecast due to a variety of factors. For more information about the results forecast, please see 1.Overview of Operating Results, etc. (3) Explanation concerning information regarding consolidated business forecast on page 2 of the Accompanying Materials.

Supplementary results materials will be posted on the Company’s website on Thursday February 6, 2025.

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1. Overview of Operating Results, etc.

(1) Summary of Operating Results

Consolidated net sales for the cumulative third quarter of FY2024 were 2,038.4 billion yen (up 25.2 billion yen year on year), operating profit 88.1 billion yen (down 13.6 billion yen year on year), ordinary profit 97.5 billion yen (down 16.1 billion yen year on year) and profit attributable to owners of parent for the period 43.3 billion yen (down 13.9 billion yen year on year).

The operating results for the cumulative third quarter of FY2024 by business segment are as follows：

1) In the petroleum business segment, the segment reported net sales of 1,818.3 billion yen (up 21.6 billion yen year on year), about the same level as the same period of the previous year. On the other hand, due mainly to the effect of fluctuation in crude oil prices, segment profit was 40.1 billion yen (down 20.0 billion yen year on year).

2) In the petrochemical business segment, due mainly to a continued sluggish product market, the segment reported net sales of 252.1 billion yen (down 12.8 billion yen year on year) and a segment loss of 4.9 billion yen (a segment loss of 3.7 billion yen in the same period of the previous year).

3) In the oil exploration and production business segment, due mainly to the effect of exchange rate fluctuations, the segment reported net sales of 96.1 billion yen (up 12.0 billion yen year on year) and a segment profit of 52.8 billion yen (up 3.5 billion yen year on year).

4) In the renewable energy business segment, due mainly to worse wind conditions at wind farms from the same period of the previous year, the segment reported net sales of 8.7 billion yen (down 1.0 billion yen year on year) and a segment loss of 0.0 billion yen (a segment profit of 1.4 billion yen in the same period of the previous year).

(2) Summary of Financial Position

As for the consolidated financial position as of the end of the third quarter of FY2024, total assets as of December 31, 2024 amounted to 2,287.4 billion yen, up 74.8 billion yen from March 31, 2024, the end of FY2023. This was mainly due to an increase in inventories. Net assets as of December 31, 2024 amounted to 720.0 billion yen with a net worth ratio of 25.7%.

(3) Explanation concerning information regarding consolidated business forecast

The consolidated business forecast for the full year of FY2024 is not updated from the previous announcement made on May 9, 2024.

2. Consolidated Financial Statements and Significant Notes

(1) Consolidated balance sheet

(Unit：million yen)

	FY2023 (As of March 31, 2024)	3Q FY2024 (As of December 31, 2024)
Assets		
Current assets		
Cash and deposits	117,295	144,049
Notes receivable - trade	4,130	4,138
Accounts receivable - trade	395,261	397,479
Merchandise and finished goods	204,470	219,824
Work in process	168	429
Raw materials and supplies	187,652	248,849
Other	213,790	183,157
Allowance for doubtful accounts	-28	-29
Total current assets	1,122,740	1,197,900
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	240,625	234,323
Machinery, equipment and vehicles, net	205,190	212,829
Land	313,806	313,747
Other, net	90,616	114,025
Total property, plant and equipment	850,239	874,926
Intangible assets	42,094	42,795
Investments and other assets		
Investment securities	131,147	106,362
Other	66,565	65,572
Allowance for doubtful accounts	-278	-273
Total investments and other assets	197,433	171,660
Total non-current assets	1,089,767	1,089,382
Deferred assets		
Bond issuance cost	77	136
Total deferred assets	77	136
Total assets	2,212,586	2,287,420

(Unit：million yen)

	FY2023 (As of March 31, 2024)	3Q FY2024 (As of December 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	346,805	400,063
Short-term loans payable	245,082	292,948
Current portion of bonds	—	3,000
Commercial papers	88,000	85,300
Accounts payable - other	264,325	266,041
Income taxes payable	12,793	5,404
Provision	12,095	7,373
Other	38,526	35,098
Total current liabilities	1,007,628	1,095,229
Non-current liabilities		
Bonds payable	21,568	37,750
Long-term loans payable	263,669	250,837
Provision for special repairs	52,415	34,773
Other provision	3,294	2,144
Net defined benefit liability	3,481	3,629
Asset retirement obligations	27,384	27,352
Other	105,729	115,695
Total non-current liabilities	477,542	472,183
Total liabilities	1,485,170	1,567,412
Net assets		
Shareholders' equity		
Capital stock	46,435	46,435
Capital surplus	93,572	93,576
Retained earnings	459,186	476,215
Treasury shares	-1,932	-24,567
Total shareholders' equity	597,261	591,658
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,602	10,428
Deferred gains or losses on hedges	-1,185	-467
Revaluation reserve for land	-20,771	-20,771
Foreign currency translation adjustment	13,587	3,727
Remeasurements of defined benefit plans	2,665	2,286
Total accumulated other comprehensive income	3,899	-4,796
Non-controlling interests	126,253	133,144
Total net assets	727,415	720,007
Total liabilities and net assets	2,212,586	2,287,420

(2) Consolidated statement of income and consolidated statement of comprehensive income

(Consolidated statement of income)

(Consolidated the cumulative third quarter of FY2024 statement of income)

(Unit：million yen)

	3Q FY2023 (From April 1, 2023 to December 31, 2023)	3Q FY2024 (From April 1, 2024 to December 31, 2024)
Net sales	2,013,199	2,038,432
Cost of sales	1,790,338	1,821,215
Gross profit	222,861	217,216
Selling, general and administrative expenses	121,200	129,123
Operating profit	101,661	88,093
Non-operating income		
Interest income	3,527	4,586
Dividend income	930	989
Share of profit of entities accounted for using equity method	―	1,196
Foreign exchange gains	11,028	5,439
Rental income on fixed assets	585	600
Other	3,074	2,434
Total non-operating income	19,146	15,246
Non-operating expenses		
Interest expenses	3,540	3,841
Share of loss of entities accounted for using equity method	2,298	―
Other	1,375	2,015
Total non-operating expenses	7,213	5,857
Ordinary profit	113,593	97,482
Extraordinary income		
Gain on sales of non-current assets	398	135
Gain on sales of investment securities	139	3,611
Insurance income	31	52
Compensation income	6,670	151
Other	103	8
Total extraordinary income	7,344	3,960
Extraordinary losses		
Loss on disposal of non-current assets	7,112	5,956
Impairment loss	221	157
Loss on valuation of investment securities	1,275	3,486
Other	66	637
Total extraordinary losses	8,676	10,237
Profit before income taxes	112,261	91,205
Income taxes	48,813	40,624
Profit	63,447	50,581
Profit attributable to non-controlling interests	6,285	7,329
Profit attributable to owners of parent	57,162	43,251

(Consolidated statement of comprehensive income)

(Consolidated the cumulative third quarter of FY2024 statement of comprehensive income)

(Unit：million yen)

	3Q FY2023 (From April 1, 2023 to December 31, 2023)	3Q FY2024 (From April 1, 2024 to December 31, 2024)
Profit	63,447	50,581
Other comprehensive income		
Valuation difference on available-for-sale securities	2,450	185
Deferred gains or losses on hedges	740	717
Foreign currency translation adjustment	1,222	410
Remeasurements of defined benefit plans, net of tax	-284	-498
Share of other comprehensive income of entities accounted for using equity method	1,558	-10,262
Total other comprehensive income	5,686	-9,447
Comprehensive income	69,134	41,133
(Breakdown)		
Comprehensive income attributable to owners of the parent	62,539	34,555
Comprehensive income attributable to non-controlling interests	6,594	6,578

(3) Notes to consolidated financial statements

(Notes to the going concern assumption)

None

(Notes on changes in scope of consolidation or application of the equity method)

During the second quarter consolidated accounting period, Sasebo Shikamachi Wind Power, G.K was newly established, however, it does not have a material impact on the quarterly consolidated financial statements and is, therefore, not included in the scope of consolidation and is treated as a non-consolidated subsidiary accounted for using the equity method.

In addition, during the current third quarter consolidated accounting period, HD Hyundai Cosmo Petrochemical Co., Ltd. was excluded from the scope of application of the equity method because all shares of this company held by Cosmo Oil Co., Ltd., a consolidated subsidiary of the Company, were sold.

(Notes to remarkable changes in shareholders' equity)

At its Board of Directors meeting held on May 9, 2024, the Company resolved matters regarding purchase of treasury shares, pursuant to Article 156 of the Companies Act of Japan as applicable through Article 165, Paragraph 3 of the Act and, during the cumulative third quarter of FY2024, the Company repurchased 3,031 thousand shares of its common stock for 22,999 million yen. Due to the impact of this purchase, treasury shares were 24,567 million yen as of the end of the third quarter of FY2024.

(Notes relating to changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

The Company has applied Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") effective from beginning of the first quarter of the fiscal year under review.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso of paragraph 65-2 (2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Implementation Guidance 2022”). This change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the first quarter under review. This change in accounting policies is applied retrospectively, and quarterly consolidated financial statements and consolidated financial statements for the previous year are after retrospective application. As a result, the initial balance of retained earnings for the previous fiscal year increased by 643 million yen due to the application of the cumulative effect to net assets as of the beginning of the previous fiscal year.

(Change in calculation method of tax expenses)

Previously, the Company calculated tax expenses for the Company and some of its consolidated subsidiaries by reasonably estimating the effective tax rate after applying tax effect accounting against profit before income taxes for the fiscal year including the quarter, and next by multiplying the quarterly profit before income taxes by such estimated effective tax rate; however, starting from the first quarter under review, the Company has adopted a simplified method for calculating tax expenses using the same method used for the fiscal year.

The Company used the scrapping of the quarterly report requirement from the first quarter under review as an opportunity to review the Group's quarterly operating results operations, and the purpose of this change is to reflect tax expenses pertaining to cumulative quarterly consolidated accounting periods in the quarterly consolidated financial statements in a more appropriate manner.

This change in accounting policy is applied retrospectively, and quarterly consolidated financial statements for the cumulative third quarter of the previous year are after retrospective application.

As a result, compared to before retrospective application, income taxes for the cumulative third quarter of the previous fiscal year decreased by 11,292 million yen , resulting in profit of 63,447 million yen (up 11,292 million yen compared to that of before retrospective application), profit attributable to non-controlling interests of 6,285 million yen (down 28 million yen compared to that of before retrospective application), and profit attributable to owners of parent of 57,162 million yen (up 11,320 million yen compared to that of before retrospective application). On this basis, net income per share was 653.73 yen (up 129.47 yen compared to that of before retrospective application).

(Notes relating to quarterly consolidated statements of cash flows)

The Company did not prepare quarterly consolidated statements of cash flows for the cumulative third quarter under review.

Depreciation (including amortization of intangible assets) for the cumulative third quarter under review is as follows.

(Unit：million yen)

	3Q FY2023 (From April 1, 2023 to December 31, 2023)	3Q FY2024 (From April 1, 2024 to December 31, 2024)
Depreciation	41,172	42,390

(Notes to segment information,etc.)

I 3Q FY2023 (From April 1, 2023 to December 31, 2023)

Information about net sales and profit (loss) amounts by segment reported

(Unit：million yen)

	Petroleum Business	Petrochemical Business	Oil Exploration and Production Business	Renewable Energy Business	Other Note：1	Adjustments Note：2	Consolidated Note：3
Net sales							
Outside customers	1,728,630	232,037	27,337	9,635	15,558	—	2,013,199
Inter-segment	68,103	32,832	56,746	111	29,680	-187,474	—
Total	1,796,733	264,870	84,084	9,746	45,239	-187,474	2,013,199
Segment profit (loss)	60,077	-3,718	49,325	1,363	2,280	4,264	113,593

Notes:1 The Other segment is composed of businesses that are not included in the reportable segments. It includes construction business and insurance agency business, etc.

2 The 4,264 million yen adjustment of segment profit (loss) includes profit (net sales minus expenses) that has not been allocated to any reportable segment or to the Other segment of 5,192 million yen, eliminated intersegment transactions of -1,757 million yen, an inventory adjustment of 619 million yen, and a non-current asset adjustment of 209 million yen.

3 Segment profits (loss) are adjusted according to ordinary profit recorded in the consolidated quarterly statement of income.

II 3Q FY2024 (From April 1, 2024 to December 31, 2024)

Information about net sales and profit (loss) amounts by segment reported

(Unit：million yen)

	Petroleum Business	Petrochemical Business	Oil Exploration and Production Business	Renewable Energy Business	Other Note：1	Adjustments Note：2	Consolidated Note：3
Net sales							
Outside customers	1,753,325	221,071	33,723	8,628	21,683	—	2,038,432
Inter-segment	64,978	31,039	62,394	101	35,420	-193,934	—
Total	1,818,303	252,111	96,117	8,730	57,104	-193,934	2,038,432
Segment profit (loss)	40,080	-4,869	52,811	-47	4,176	5,330	97,482

Notes:1 The Other segment is composed of businesses that are not included in the reportable segments. It includes construction business and insurance agency business, etc.

2 The 5,330 million yen adjustment of segment profit (loss) includes profit (net sales minus expenses) that has not been allocated to any reportable segment or to the Other segment of 4,367 million yen, eliminated intersegment transactions of 126 million yen, an inventory adjustment of 1,335 million yen, and a non-current asset adjustment of -498 million yen.

3 Segment profits (loss) are adjusted according to ordinary profit recorded in the consolidated quarterly statement of income.

(Notes to significant subsequent events)

(Purchase of Treasury Shares)

At its Board of Directors meeting held on February 6, 2025, the Company resolved matters regarding purchase of treasury shares, pursuant to Article 156 of the Companies Act of Japan as applicable through Article 165, paragraph 3 of the Act.

1. Reason for the Repurchase of Treasury Shares

To improve capital efficiency and to enhance shareholder return

2. Details of Matters Concerning Repurchase

(1) Class of shares to be repurchased: Common shares of the Company

(2) Total number of shares to be repurchased: 3,000,000 shares (Maximum)
(Equivalent to 3.52% of outstanding shares (excluding treasury shares))

(3) Total amount of repurchase price: 18,000 million yen (Maximum)

(4) Period of repurchase: From February 7, 2025 to June 30, 2025

(5) Method of repurchase: (i) Purchases through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3)
(ii) Purchases on the Tokyo Stock Exchange

（For Translation Purposes Only）

Independent Auditor's Report on Review of Interim Consolidated Financial Statements

February 6, 2025

Cosmo Energy Holdings Co., Ltd.

To the Board of Directors

KPMG AZSA LLC

Tokyo Office

Designated Limited Liability Partner Managing Partner	Certified public accountant	Katsunori Hanaoka
Designated Limited Liability Partner Managing Partner	Certified public accountant	Kyoko Shiga
Designated Limited Liability Partner Managing Partner	Certified public accountant	Tetsuhiko Suzuki

Auditor's Conclusion

We have performed a quarterly review of the quarterly consolidated financial statements of Cosmo Energy Holdings Co., Ltd, namely the quarterly consolidated balance sheets, quarterly consolidated statements of income, quarterly consolidated statements of comprehensive income, and the primary notes for the third quarter (from October 1, 2024 to December 31, 2024) and the first nine months (from April 1, 2024 to December 31, 2024) of the consolidated fiscal year from April 1, 2024 to March 31, 2025 included in the Accompanying Materials of the Quarterly Consolidated Financial Results.

Based on our review, nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements referred to above are not prepared, in all material respects, in accordance with Article 4 (1) of Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting principles generally accepted in Japan for quarterly financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.

Basis for Auditor's Conclusion

We conducted our review in accordance with review standards for interim financial statements generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Interim Review of the Quarterly Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the professional ethical regulations that are applicable in Japan, and we have fulfilled our other ethical responsibilities as an auditor. We believe that we have obtained evidence to provide a basis for our conclusion.

Emphasis of Matter

As stated in the notes relating to changes in accounting policies, previously, the Company calculated tax expenses for the Company and some of its consolidated subsidiaries by reasonably estimating the effective tax rate after applying tax effect accounting against profit before income taxes for the fiscal year including the quarter, and next by multiplying the quarterly profit before income taxes by such estimated effective tax rate; however, starting from the first quarter under review, the Company has adopted a simplified method for calculating tax expenses using the same method used for the fiscal year.

That does not affect our conclusion.

Management's and the Audit & Supervisory Committee's Responsibilities for the Quarterly Consolidated Financial Statements

Management is responsible for the preparation and presentation of the quarterly consolidated financial statements in accordance with Article 4(1) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles generally accepted in Japan. The responsibility includes establishing and operating an internal control system that management considers necessary for creating quarterly consolidated financial statements that do not include any significant misstatements stemming from injustice or errors.

In preparing the quarterly consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by Article 4 (1) of Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting principles generally accepted in Japan for quarterly financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards, matters related to going concern.

The responsibilities of the Audit & Supervisory Committee lie in monitoring the directors' performance of their duties in the development and operation of the financial reporting process.

Auditor's Responsibilities for the Interim Review of the Quarterly Consolidated Financial Statements

Our objective is to issue an auditor's interim review report that includes our conclusion for quarterly consolidated financial statements from an independent standpoint.

As part of our interim review in accordance with interim review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the interim review as below:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other interim review procedures. A interim review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- If we determine that a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, then we conclude, based on the evidence obtained, on whether anything has come to our attention that causes us to believe that the quarterly consolidated financial statements are not prepared in accordance with Article 4 (1) of Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting principles generally accepted in Japan for quarterly financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards. Additionally, if we conclude that a material uncertainty exists, we are required to draw attention in our interim review report to the related disclosures in the quarterly consolidated financial statements or, if such disclosures are inadequate, to express a qualified conclusion or adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our interim review report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether anything has come to our attention that causes us to believe that the quarterly consolidated financial statements and notes are not prepared in accordance with Article 4 (1) of Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting principles generally accepted in Japan for quarterly financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.
- Obtain evidence regarding the financial information of the entities or business activities within the Company and its consolidated subsidiaries as a basis for expressing a conclusion on the quarterly consolidated financial statements. We are responsible for the direction, supervision and review of the quarterly consolidated financial statements. We remain solely responsible for our conclusion.

We communicate with the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the interim review and significant review findings.

We report to the Audit & Supervisory Committee in a statement that we have complied with the professional ethical regulations that are applicable in Japan regarding independence, matters that may reasonably be thought to affect our independence, and the content of safeguards, where measures were established to eliminate or effectively mitigate any impediment.

Conflicts of interest

There is no conflict of interest between the Company and its consolidated subsidiaries and us or its engagement partners which should be disclosed under the provisions of the Certified Public Accountants Act.

Notes: 1. The original report on interim review is kept separately by the Company (the reporting company of the Quarterly Securities Report).

2. The associated XBRL data and HTML data are not included in the scope of the interim review.